

TELEGRAM (Commercial)

1/27/74

REFER TO DOS

Mrs. Dorothy Bodden  
Palmer House  
Parlor 5 (MIA Families)  
Chicago, Illinois

This is to confirm to you that the President has designated today, January 27, 1974, as National MIA Awareness Day, dedicated to the many Americans who remain missing and unaccounted for in Indo China and to their families. The President calls upon all Americans to join on this occasion in expressing a clear continuing commitment of the American people and their government to seek the fullest possible accounting for Americans missing in Southeast Asia and upon state and local officials and private organizations to observe this day with appropriate ceremonies and activities.

Brent Scowcroft  
Major General, USAF  
Deputy Assistant to the President  
for National Security Affairs

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## MEMORANDUM

## NATIONAL SECURITY COUNCIL

ACTION

January 28, 1974

SECRET (GDS)

MEMORANDUM FOR: SECRETARY KISSINGER  
FROM: WILLIAM J. JORDEN  
SUBJECT: Foreign Ministers' Meeting in Mexico

I have given the coming meeting considerable thought, read most of the papers, tried to relate the Mexico City sessions to the larger reality of a world moving toward economic chaos, and come to certain conclusions. Your presence in Mexico--and more important what you say in public and private there--can do several highly constructive things:

- (1) demonstrate conclusively that the President's call for a "new look" and your call for a "new dialogue" were not rhetoric but serious appeals for a new relationship;
- (2) move away from the tired old agenda of U. S. "sins" and Latin "demands" to a new approach involving shared problems and ways of approaching them;
- (3) finesse the argument about "restructuring the inter-American system" by assigning to institutions we have new tasks relevant to the real world and dominant concerns; and
- (4) put the discussion of a Charter of Rights and Duties of States (which Echeverria will certainly be pushing) on a more realistic and practical plane, while not depriving him of the pride of authorship.

What are the real problems? The Arab oil embargo has exposed one. That is, the use of resources for political blackmail on a world scale. But this, in turn, has exposed other weaknesses and vulnerabilities. Who has been hurt most? Watching the cable traffic and the news in the Western Hemisphere, several things become clear: (1) the only beneficiaries were the oil producers--and even there, the long-run benefits remain questionable; (2) the U. S. has suffered little real damage; (3) the main losers were the weak, developing countries. Near panic has set in in some countries, and fundamental problems have been created for all of them. The loss of foreign

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exchange reserves, curtailment of production, increased unemployment, loss of income (because of the cutback in tourist traffic, for example)--all these and more have hit Central America, the Caribbean and most of South America very hard, indeed.

The reaction in many places has been worrisome. The tendency to say "what can we do with what we have to meet rising energy costs?" predominates. It has affected the reasonably prosperous (Argentina, for example, is entering a barter arrangement with Libya) as well as the poor (Jamaica and Guyana are about to move in hard on the aluminum companies). This "bugger thy neighbor" attitude is ominously reminiscent of 1929.

But energy is not the only problem. Food is becoming an increasing nightmare for many countries. There is a flour shortage in Bolivia today. Chile is frantically working to increase its supply of food. One country after another is begging us to help with PL-480 stocks--which are dwindling, as you know.

Closely related to the food problem--and exacerbating it vastly--is the matter of rising population. This especially acute in Latin America. Increasingly, the requirement to feed ever more hungry mouths is reducing and even erasing economic growth in other sectors.

There are many other problems, of course, as the proposed agenda for Mexico City makes crystal clear. High in priority for Latin America is the matter of the availability of modern technology for rapidly industrializing states. High in importance to us is some widely accepted set of rules governing foreign investment and dealing with nationalization.

In brief, what I am suggesting is that you use the Mexico City sessions to begin a serious effort within the family of American states to develop a consensus on new rules of international economic life. Obviously, many of these matters are of deep concern throughout the world. Equally obvious is the fact that we and the Latins cannot go our merry way in isolation from the rest of the world community on some of these matters--especially in international monetary reform and rules of international trade.

But it does strike me that here in the Hemisphere we have something of a cross-section of world concerns, assets and problems. We have rich and poor, producers and consumers, weak and strong. It is just possible that by working together and facing these problems squarely together we can come up with constructive steps and viable ideas which, if they work for us, can work for others.

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I would propose that we assign to existing institutions (such as the Economic and Social Council of the OAS, the Inter-American Bank, and CIAP--which all have considerable experience and expertise) the task of developing new initiatives and making new proposals to member governments on ways of meeting better our urgent requirements for energy, technology, raw materials and food and for coping with the nightmare of sharply rising populations. At the heart of the problem is finding new rules of the game to govern the behavior of all in these fields.

While my mind has been running along these lines, I recently learned that our old friend Walt Rostow has been thinking in the same vein. Indeed, as an historian and profound student of development economics, he has certainly moved farther ahead on these things than I could. As I believe he has reported to you, he recently attended a seminar of economists in Mexico in which he raised some of these matters. I understand he received a warm reception from his specialist colleagues.

If you approve, I would like to take a shot at developing some language for your possible use--in public and private statements in Mexico--that would put some of these matters into an operational framework. I understand that Walt will be in town weekend after next on other business. Since he is a consultant in good standing, I would like to get him to spend an afternoon with me developing these ideas in a form that would prove useful and constructive for you. This can be done quietly and with no publicity, of course.

**RECOMMENDATION:**

That you approve the course of action proposed in the previous paragraph.

APPROVE

JK

DISAPPROVE

                    *urgently.*SECRET (GDS)